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SIPDIS

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TAGS: PREL EAID ETRD SR MW ICTY EUN USEU BRUSSELS
SUBJECT: THE COMMISSION'S EXPLANATION OF EU'S "TWIN TRACK"

APPROACH TO SERBIA AND MONTENEGRO

Classified By: Rick Holtzapple, PolOff, Reason 1.4 B/D

SUMMARY

- 11. The Commission reports that its new "twin track" approach to Serbia and Montenegro (SaM) met with an enthusiastic response in both Belgrade and Podgorica. Further details still need to be hashed out, however, on when, whether and how a feasibility study on negotiations for a Stabilization and Association Agreement could begin. A visit by Patten and Solana on October 5 is supposed to firm up at least some of these details. On one point the Commission remains firm: SaM's cooperation with ICTY must improve if SAA negotiations are to begin in 2005. END SUMMARY.
- 12. (U) Therese Sobieski, Head of Unit for Serbia and Montenegro at the European Commission (EC), tried to explain the EU's "twin track" to negotiations on a Stabilization and Association Agreement with Serbia and Montenegro in a recent meeting with USEU's PolOff and USAID Advisor.

A "TWIN TRACK" TOWARD A SINGLE AGREEMENT

13. (SBU) According to Sobieski, the impetus for the "twin track" came from growing frustration in the Commission that the EU's preferred strategy of dealing with Serbia and Montenegro as a single economic unit was making no progress. Meetings this past July had been "a moment of truth" that the EU must recognize the reality of the two republics' growing authorities. Therefore, the EC had proposed the EU drop its insistence on economic harmonization and elaboration of an Internal Market Action Plan (IMAP) as a precondition for SaM's next step on the path of European integration: a Feasibility Study on whether SaM is ready to begin negotiations for a Stabilization and Association Agreement (SAA) with the EU. Previously, the EC had insisted an IMAP was needed before it could evaluate SaM's economy in a feasibility study. Now, the EC was reconciled to the need to prepare separate sections on the economies of Montenegro and Serbia. Sobieski insisted, however, that the EU Foreign Ministers, in endorsing the EC's proposal were still keen to continue the EU's policy in support of keeping the State
Union together. The EC would prepare only one feasibility study, and eventually, negotiate a single SAA, with separate sections, protocols or annexes as necessary for the two republics

NEXT STEPS

14. (SBU) Sobieski said that the EU's first trip in mid-September to explain the "twin track" approach to Belgrade and Podgorica had been met with enthusiasm in both cities, although she acknowledged that this was "maybe not for the same reasons" in each government (i.e., Belgrade sees progress toward an SAA, Podgorica sees progress toward independence). The Serbs and Montenegrins were also asked to make two commitments: that they will agree between themselves on which areas should be negotiated by the EU with the State Union, and which with the respective republic governments; and that they will not take any steps to undermine the State Union government. In particular, the EU stressed that this "twin-track" approach should not be extrapolated to any other issues, such as WTO membership. Commissioner Patten and High Rep Solana will visit Belgrade on October 5 to hear their response, and the EU will then decide if work on a feasibility study can begin. The Commission also hopes the Patten/Solana visit with help clarify what the EU is and is not putting on the table, although Sobieski noted they fully expect that "everyone will hear what they want to hear."

POSSIBLE CALENDAR

15. (C) Assuming that all went smoothly, which Sobieski thought unlikely, the shortest conceivable calendar for SaM's progress would be that drafting of a feasibility study would begin this month, and the study might be finished in February 12005. If the study's conclusion was positive that SaM was ready to begin SAA negotiations (an unlikely prospect unless the GoSaM improves cooperation with ICTY — see next para), then the Commission would need to seek a negotiating mandate

from the EU Member States in the Council. Actual negotiations of an SAA were unlikely to start before late 12005. And, as the contrasting examples of Macedonia (six months) and Albania (going on two years and counting) show, it is impossible to predict how long such negotiations might

ICTY CONDITIONALITY

16. (SBU) One message that Sobieski (and several other EU interlocutors) was keen to stress with us was that the EU's "twin track" approach in no way implies a relaxing of the EU's ICTY conditionality. Sobieski said any feasibility study will include discussion of the "political conditionality" for SAA negotiations, and key among these was that the GoSaM is meeting its international obligations toward ICTY. The Commission hopes that by removing economic harmonization as a stumbling block for SaM progress toward an SAA, the "twin track" will actually help focus Belgrade and Podgorica on the need for improved cooperation. This is a message Patten and Solana will again deliver clearly on October 5.

COMMENT

17. (C) We are unconvinced the EU has fully thought through the political ramifications of the "twin track." Despite the EU's insistence it still supports a united SaM, even some EU officials have told us this change in policy is a weakening the EU's pressure to keep Montenegro from declaring independence. But for us, the key issue is that negotiation of an SAA with SaM remain firmly conditioned on better cooperation with ICTY. And the Commission appears to be solid on this point. It is, nonetheless, a point we will want reconfirm as the Balkans portfolio passes from External Relations Commissioner Patten to Enlargement Commissioner Olli Rehn of Finland in the next Commission beginning on November 1.

SCHNABEL